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THE LAND -- OUR ULTIMATE SECURITY



(Address by Representative Marvin Jones, Chairman of the House Committee on Agriculture, in the House of Representatives, July 1, 1940.)

Farming is as old as history. It was the original occupation of man. It produces the basic essentials of practically all other activities. "When tillage begins, the other arts follows. The farmers, therefore, are the founders of human civilization."

It need no longer be argued that the permanent success of industry is linked with the success of the producer. That is now accepted as axiomatic.

The business of farming is the largest individual business in America. Thirty million people produce billions in the value of cattle, sheep, hogs, and great quantities of corn, wheat, cotton, barley, rice, flax, and more than 100 other commodities. In value, volume, and number of people affected, it surpasses any other industry in our land.

For more than 100 years, legislation has been enacted in favor of various groups, and business practices have added to the cost of the farmers' supplies. Tariffs, trade barriers, wage scales, trusts, monopolies, transportation costs, and many other laws and practices have interfered with his original freedom of operation. Out of these things has grown the farm problem.

A remedy must be applied. It should be broad enough to cover the entire field. It is not a simple assignment. The scores of commodities require different methods, different facilities, different marketing, different forms of credit, and different approaches to the problem.

It is easy to criticize. It is difficult to construct. Just what has been done within the last few years?

Soil Conservation

In the first place, we have adopted a program of conserving and rebuilding the soil. Every man, woman, and child in America, in the long road of the future, is vitally interested in this program. A simple visit to the broken or worn-out soils of some of the older countries is a tragic lesson in the value of productive land. Anyone

who will visit the north central and the great western, as well as the southern portions of our country cannot fail to be impressed with the marvelous work that has been done on millions of acres of American soil. This area constitutes the source of our food and clothing material. On this the future life of our Nation depends.

I think this activity should be made more strictly a soil-conserving and soil-building program. But does any thoughtful person want to repeal this phase of the law and thus end this great conservation program?

Second. We established the Farm Credit Administration which covers all types of agricultural credit. More farmers were refinanced in the first 4 years of this activity than in the 16 previous years of the land banks' history. These were refinanced at the lowest farm interest rates that have ever prevailed in this or any other great country. In addition cooperatives have been financed. The Production Credit Corporation and the Crop Loan activities have financed the current credit needs of agriculture. These credit needs have been financed and are now being financed at the lowest agricultural interest rates in our history.

High-interest rates have been the curse of the farmer for generations. They have kept him in debt. The low-interest rates are provided not to get him into debt. They have been provided primarily to enable him to pay his obligations, to get him out of debt, and thus enable him at last to be free -- free to pitch his crops in their season, to grow them in independence, and "to sell them in his own chosen markets in his own time and manner, and not at a master's bidding" -- yes, free as the air he breathes, free as the country he loves, free as the hills and valleys to which he feels himself akin and which he calls his own.

Marketing Agreements

Third. We have the marketing-agreement provision under which on a district, regional, or national basis producers may secure marketing agreements establishing prices and apportioning the market for the respective commodities on a fair basis.

There are now in effect 43 different marketing agreements covering 16 different commodities, and in many instances covering different types of each commodity. Milk and its products, fruits and vegetables, and many different activities are included. These marketing agreements now in operation affect 1,300,000 farmers.

Fourth. We have the Rural Electrification Administration. At the time it began to function about 10 percent of the farms in America had the advantage of electricity. Most of these were small farms near city plants. Now more than 25 percent of the farms of America have the advantages of electricity. For the 5-year span the increase has been

nearly 200,000 electrified farms per year, or a total increase of nearly a million farms.

Produced in volume, electricity is one of the cheapest commodities in all the world. It is one of the most powerful and one of the most useful of all of the elements that have ever been harnessed to relieve the drudgery of man. Since the dawn of history the farmer has been engaged in hard, back-breaking work, covering long hours. In this work the women and children of the rural areas have been called upon to engage. Under this program this work has been greatly lightened. Electric irons, radios, ranges, vacuum cleaners, washing machines, bathroom facilities have been installed, and business increased in many lines of industry, as well as new hope and joy brought to many thousands of homes. What a superb accomplishment. Would anyone pronounce this work a failure or desire to end its fine accomplishments? I want to see an electrified America.

Commodity Loans

Fifth. We have provided commodity loans for all agricultural commodities to prevent complete price collapse which always comes when surplus production of a commodity gluts the market. This enables the commodity to be tided over until the market can normally absorb it.

Sixth. We have enacted the Water Facilities Act, which provides for the utilizing of water in the Great Plains area near where it falls, thus treating water as a blessing instead of a curse.

For many years by building levees down near the mouth of the great streams, we tried to channel the water into the sea, thus working against nature with the consequent result that the beds of the streams became filled up above the surrounding valleys, and bringing about periodic floods that destroy the homes and properties of many people living in those valleys.

By starting at the sources and utilizing the water, holding it where it falls and in the tributary streams, water is being made to serve a great and useful purpose. Thus by working with nature from the time the water falls as rain, following it down through the tributary streams and on to the sea, the double purpose can be served of making use of this great essential of nature and at the same time preventing many of the great floods that have caused broken homes and cost millions of treasure.

Seventh. We have established the home-purchase program, which provides a method of purchase and payment of family-sized farms on a long time amortization basis. No one can deny the value of a home in adding strength to our national life. Communism and the various other "isms" can gain little foothold among a home-owning citizenship. This program strikes deep at the heart of our national security. Contact

with the soil adds a vital spark to the patriotism of the people.

Price and Income

Eighth. The most important element in any farm program is the price of the product and the income of the farmer. The price of the product is too low. Much remains to be done along this line. Even so, we have come a long way from the days of 15-cent corn, 30-cent wheat, and 5-cent cotton that prevailed during the dark days of 1932.

In addition, the cash income of the farmer for the past year has been more than double the cash income of the farmer in the year 1932. Of course, the other wings of the program have helped both in the income and the living standards. Farm buying power was 72 percent greater in 1939 than in 1932. The added purchasing power of the farmer has stimulated industrial activity throughout the land, thus adding greatly to our national income.

There are some 200 basic farm commodities produced within the United States. They differ so widely in their nature, production methods, and marketing conditions that it is difficult to keep the price and income from all of them at a proper level. The changing demands frequently complicate the problem. For instance, the price of hogs is relatively lower than for most other farm commodities. This is partially due to the fact that for several years doctors have recommended the discontinuance of lard as a cooking compound. They have recommended against the use of fried meats. They have frequently recommended that in their diets people refrain from eating pork and pork products. In many homes of our land, lard has fallen into almost complete disuse. This loss of the demand has been a hard blow to the hog producer. You will recall during the war the slogan, "Eat less beef." It took the cattle producer many years after the war to sell the American people again on the thought of eating beef.

In addition, all of the farm commodities, especially those produced in surplus quantities, have been handicapped because of unsettled world conditions and the fact that the purchasing power of other nations has greatly diminished.

During the twenties we artificially sustained our foreign markets for farm and other products by lending more than \$8,000,000,000 to foreign countries between 1921 and 1929, for the purpose of stimulating foreign purchases. If a man were running a grocery store, he could maintain a good business by financing the purchases of all his customers, but of course pay day would finally come.

In addition, we further curtailed our world trade by the passage of the ultra high Tariff Act of 1930. The only way foreign nations could possibly pay us the loans or any part of the loans which we made either during the war or in the 10 years following the war, was by

accepting some of their production in exchange. We saw fit to largely exclude foreign products from our markets. In doing so, we struck a tremendous blow to all our commodities which are produced in surplus quantities. A number of our major products fall in this classification.

The Land

One of the tragedies connected with the question of price of farm products has been the fact that land speculation has come into the picture every time farm prices have reached anything like a fair basis. This has been true not only in our country but in every other country. It is a historical fact in every country where the rights of private property are recognized. A fair price for farm products is the most vital and essential thing that can be accomplished. In order to prevent the tragic ups and downs and the foreclosures that have always come when depressions have followed booms and land speculation, a land program is essential if we are to approach a solution of the farm problem.

For this reason many of us have advocated all along that soil and other benefit payments should be on a graduated scale and that the amount of them going to any one person, firm, or corporation should be drastically limited. In other words, that the encouragement in this whole field be, insofar as practical, on a family-size basis.

God created the land as man's greatest inheritance. It is essential to life. If one man owned and controlled all of the land in the United States, all other people would be subject to his whims. While land titles are a State matter, the National Government should avoid any action that would tend to place that ownership in fewer hands. The States and counties could assist in this matter by limiting the taxes on small homes.

Price Fixing

For many years some have advocated an upset price for farm products. This has been tried in many fields and in many countries, covering hundreds of years. It has never worked out satisfactorily except on a temporary basis. It was first tried nearly 1,700 years ago. Over a period of time it has often worked out to the disadvantage of the ones it was intended to serve.

It may be tried again. It is possible that we have learned some of the difficulties and could make it effective.

I want to say this, however. I feel that it would be absolutely necessary, if such a plan were tried out as to any one or more commodities, to make an individual allotment to the various farms or farmers of that part of the domestic consumption which it would be their privilege to market. Otherwise, too great a portion would be produced on a large-scale

basis by mechanized and power farming. If some provision were not made, the tenants would in many instances be driven from the land by the suitcase farmer and those who own or control large tracts and who would produce great quantities of the commodity.

If such a program were fashioned, I think the penalty clauses should be removed so that anyone might produce for the foreign market without restriction.

Ninth. We have made provision for research into new uses and wider markets for the products of the farm. In the field of chemurgy much can be accomplished. As a matter of fact, a chemical revolution is going on throughout the world. Many new and useful articles are being made out of the basic raw material that is produced on the farm. We have established four great laboratories in the major farm-producing areas of America for the sole purpose of studying new uses of all of the different farm commodities that are grown in our land. When these four great laboratories are in full operation, supplemented by the intensive work that has been provided through the various land-grant colleges and supplemented by the further activity which is being carried on by many of the different States, a wider field of distribution can be achieved. There can be no difference of opinion about the wisdom of this field of activity.

The Cause

More than 160 years ago Thomas Jefferson, whom I regard as the greatest political philosopher who ever lived on earth, wrote the Declaration of Independence. In the first part of that declaration he laid down what I regard as the most basic fundamental of free government, that of equality for all citizens in the application of its laws. His expression, "All men are created equal" has been quoted as often as any phrase in our language.

Just a few years later, while that statement was still fresh in the minds of the people, and after they had won their independence, Alexander Hamilton, the first Secretary of the Treasury, submitted his report on manufactures on December 5, 1791, advocating for the first time in this country the adoption of the principle of protection. This is a very interesting treatise of about 80 pages.

The philosophy of protection was advanced as being in the interest of infant industries, which in no other way, he claimed, could compete with the established industries of the Old World.

I do not accept the political philosophy of Alexander Hamilton, but whatever one may think of his views, he had intellectual integrity. He realized it would be charged that his proposal was in the interest of special groups. He realized that it would be especially burdensome

upon the farmer. Hamilton knew that he would be attacked by the other group of political philosophers. In this report he comments on the fact and suggests as a remedy that the farmers be paid a bounty as an offset to the tariff. I quote:

Bounties are sometimes not only the best but the only proper expedient for uniting the encouragement of a new object of agriculture with that of a new object of manufacture. * * *

It cannot escape notice that a duty upon the importation of an article cannot otherwise aid the domestic production of it than by giving the latter greater advantages in the home market. * * *

The true way to conciliate these two interests is to lay a duty on foreign manufactures of the material the growth of which is desired to be encouraged and to apply the produce of that duty, by way of bounty, either upon the production of the material itself or upon its manufacture at home, or upon both. In this disposition of the thing the manufacturer commences his enterprise under every advantage which is attainable as to quantity or price of the raw material; and the farmer, if the bounty be immediately to him, is enabled by it to enter into a successful competition with the foreign material.

The tariff was not adopted at that time, but a few years later certain groups came together and took one wing of that philosophy. They took the protective wing, but forgot, in their eagerness to secure some advantage, to take up the other wing. The farmer thus became the first forgotten man.

Not a Subsidy

Some of the critics have complained of the amount of money that is being expended on the program and have repeatedly referred to it as a subsidy. Everything that is being expended on every wing of the agricultural program can be fully justified, not as a subsidy but by way of restitution.

The value of manufactured commodities in the United States in the year 1937 was \$60,000,000,000. More than 80 percent of these items are protected by the tariff. The average rate of the tariff, reduced to an ad valorem basis, is approximately 36 percent, according to the Tariff Commission. If this tariff is $33\frac{1}{3}$ percent effective, it means increased industrial prices of nearly \$6,000,000,000; in other words, a subsidy to business of the major portion of that amount.

Producers of what are known as surplus agricultural commodities receive no benefit from the tariff. Cotton farmers, for instance, are in this class. At the same time they assume the burden of increased prices on the articles they must buy.

So long as we have a tariff the surplus-producing farmer is entitled to an offset. This is a right. It is only restoration. Alexander Hamilton, patron saint of the tariff, recognized this fact. Thomas Jefferson wrote the principle of equality into the Declaration of Independence before we had a Constitution.

I am not arguing the merits of the tariff, although I have never believed in the high protective system. I am simply stating that so long as we have that system the surplus-producing farmers should have some provision for placing them on an equality under the law.

The Stamp Plan

Tenth. Provision has also been made for widening the distribution of the surplus products of the farm, both at home and abroad, emphasis being placed on widening the distribution of these commodities and the products thereof among low-income groups within our own land.

I am very proud of the fact that the provisions of section 32 were worked out by the members of the House Committee on Agriculture, which provides for a direct appropriation of 30 percent of all tariff collections for the purpose of this section. Under this provision, together with supplemental funds appropriated for the same purpose, the so-called stamp plan has been put into operation.

This plan has proved both effective and popular. It serves a three-way purpose: In the first place, it assists in disposing of our surplus products. Second, it tends to furnish additional food and clothing for the low-income groups in our land. And third, it tends to provide further employment. In truth, it stimulates employment in the regular channel of commerce activity. When an additional bale of cotton is grown and thus distributed, it furnishes additional employment in the plowing, in the planting, cultivating, and picking of the crop; also in the ginning, weaving, garment making, and wholesaling and retailing of the product that is made therefrom. The same is true of a bushel of wheat, a bushel of corn, or of milk and its products, as well as any other useful commodity that is produced on a surplus basis.

I am not quite sure but that it would be wise for some of the work-relief funds to be expended in this way. I am rather impressed with the thought that \$100 expended in this fashion would provide more work in the whole field of activity than would be provided by the use of the same sum in direct work relief.

To make available to our own citizens who need them, food and clothing is one of the fine purposes accomplished in this activity. The additional work made possible all along the line is an added argument that is irresistible. Counties and cities throughout our country are clamoring for the advantages of this ideal method of using the basic wealth of our land.

After all our main problem is one of distribution. We have mastered the machinery of production to a far greater degree than we have mastered the machinery of distribution. I have always felt that in the final analysis there has never been in the history of our country an actual surplus.

There has never been a bale of cotton produced but that somewhere, here or abroad, is a man, woman, or child that needs the clothing which that product makes possible. There has never been an article of building material manufactured but that somewhere in this or other lands there is some person who needs the shelter that that commodity can furnish. There has never been a bushel of wheat, a bushel of corn, or any farm commodity grown by the blessings of Mother Nature but that somewhere out yonder under the stars is a hungry mouth that needs to be fed.

I have never believed much in the penalty clauses. They are temporary expedients. They are used only when two-thirds of the farmers producing a commodity feel that they are necessary. In the process of the years we should produce all that the people of our country can use, as well as all that may be appropriately supplied in the markets of the world. Whatever may be necessary to handle the difficulties of the time the major objective must always be a full supply for every need of the human race.

Amid all the divergent opinions, the confusion of suggestions, the wealth, and the multitude of plans we have worked out a program and are improving it from time to time. This effort has crossed party lines and found men who were willing to submerge themselves in the interest of the cause.

War Changes

Of course the war may bring vast changes in the trade and marketing practices of the world. This may make it necessary to have drastic changes in the farm program, both as to marketing and producing. But whatever changes may be made necessary the essentials of the present program, to wit, soil and water conservation, low-interest rates, research, rural electrification, home ownership, and surplus distribution will remain the basic foundation for the future of American agriculture.

My one message to the American farmer is to stick -- stick to those who are honestly trying to find a solution for this great problem. Progress is being made. Six million farmers are now cooperating voluntarily in the various wings of the farm program. Operating as a unit this is a mighty army. Behind the farm program is more than 50 years of discrimination. To remove that discrimination and thus restore our Government to first principles is our primary national duty and is worth the effort of years.

Before you join the anvil chorus ask the farmer if he believes in soil and water conservation, if he believes in the lower interest rates, research, surplus distribution, rural electrification, and marketing agreements. Ask the 6,000,000 farmers who are now complying if they wish to repeal all these acts and again chase the rainbow.

I am not afraid of what their answer will be.

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